

Project Summary: Employee Churn Analysis for XYZ Group of Companies

Problem Statement: XYZ Group of Companies is concerned about the high rate of employee attrition and wants a thorough analysis of their employee data to identify the contributing factors. They seek recommendations to mitigate the churn rate and improve employee retention.

Project Scope:

The scope of this project is to analyse XYZ Group of Companies' employee data to understand the factors influencing staff attrition. The analysis will cover various factors such as salary, bonus, employee review, promotion tenure, level of satisfaction, and the department-wise churn rate. The goal is to provide actionable insights and recommendations to help reduce the churn rate and improve employee retention.

Key Findings:

Churn Rate: The churn rate for XYZ Group of Companies is currently at 29.2%, with 2,784 employees having left the company out of the total 9,540 employees.

Salary vs. Churn Rate: A significant number of employees who left earned medium salaries (70.08%), followed by high salaries (15.88%) and low salaries (14.04%). This suggests that salary level plays a role in employee attrition.

Bonus and Promotion Impact: Among the employees who left, 20.27% received a bonus, and only 2.05% were promoted. This indicates a potential correlation between receiving bonuses, promotions, and reduce attrition.

Employee Review: A majority of employees who left had good performance reviews (67.89%), followed by excellent reviews (29.85%), and a smaller percentage had poor reviews (2.26%). It may be worth investigating the reasons behind good performers leaving.

Tenure Distribution: The majority of employees who left had a tenure between 7 and 8 years. The lowest tenure some employees worked was 2 years, while the highest tenure was 9 years with 14 employees. Long-tenured employees leaving may require special attention.

Churn Rate by Department: The IT department had the highest churn rate, while the Finance department had the lowest churn rate (26.9%). Although there is no wide variance across departments, exploring reasons for the higher churn in IT can be beneficial.

Employee Satisfaction: The employee satisfaction survey showed that 44% of the employees were satisfied, and 45% were dissatisfied. Understanding the reasons behind employee dissatisfaction is crucial for retention efforts.

Bonus and Promotion Percentage: The percentage of staff receiving a bonus is 21%, and the percentage of staff promoted is 3%. Reviewing the bonus and promotion policies might help in retaining more employees.

Recommendations:

Based on the analysis, the following recommendations are proposed to reduce employee churn and improve retention:

Salary Adjustment: Conduct a salary review to ensure that employee compensation is competitive within the industry and provide raises to deserving employees.

Retention Bonuses: Implement retention bonuses for high-performing employees who have been with the company for an extended period.

Performance Management: Strengthen performance management processes to provide constructive feedback and development opportunities to employees with good performance.

Career Growth: Develop a clear career growth path and identify employees with potential for promotion. Provide training and opportunities for career advancement.

Employee Engagement Programs: Design employee engagement programs to boost job satisfaction and create a positive work environment.

Exit Interviews: Conduct thorough exit interviews to understand the reasons behind employee departures and address underlying issues.

Department-Specific Strategies: Investigate the reasons for the higher churn rate in the IT department and implement targeted strategies to improve retention.

Satisfaction Improvement: Address the concerns of dissatisfied employees to enhance overall job satisfaction and reduce turnover.